



General Assembly

**Substitute Bill No. 5490**

January Session, 2007

\* \_\_\_\_\_HB05490CE\_\_\_\_\_041807\_\_\_\_\_\*

**AN ACT ESTABLISHING A FIRST-TIME HOMEBUYER SAVINGS PROGRAM.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1       Section 1. (NEW) (*Effective July 1, 2007*) (a) The Commissioner of  
2       Economic and Community Development, in consultation with the  
3       Commissioner of Revenue Services, shall establish a first-time  
4       homebuyer savings program whereby graduates of a public or  
5       independent institution of higher education in the state, or graduates  
6       of the regional vocational-technical school system in the state, for the  
7       period ending ten years after the date of graduation, may elect to have  
8       one hundred per cent of the amount paid by such graduate for the  
9       income tax under chapter 229 of the general statutes in each calendar  
10      year segregated by the Commissioner of Revenue Services and  
11      deposited into the fund established by section 2 of this act and used for  
12      the purchase of the first home of such graduate. Taxes shall be  
13      segregated for tax years commencing on January 1, 2008. Payments to  
14      a graduate shall equal the amount paid for the income taxes by the  
15      graduate. Enrollment in the program shall begin on January 1, 2008,  
16      and shall be open to graduates who graduate from a public or  
17      independent institution of higher education in the state, or from the  
18      regional vocational-technical school system in the state, on or after  
19      January 1, 2007.

20 (b) The Commissioner of Economic and Community Development,  
21 in consultation with the Commissioner of Revenue Services, shall  
22 adopt regulations, in accordance with the provisions of chapter 54 of  
23 the general statutes, to carry out the provisions of this section.

24 (c) Not later than December 1, 2007, within available appropriations,  
25 the Commissioner of Economic and Community Development shall  
26 develop a comprehensive public education program to educate recent  
27 graduates of a public or independent institution of higher education in  
28 the state, or of the regional vocational-technical school system in the  
29 state, about the first-time homebuyer savings program established  
30 under this section. The public education program shall include, but not  
31 be limited to, information concerning lifetime savings plans and  
32 information on the purchase of a house. The department shall begin to  
33 implement the outreach program not later than January 1, 2008.

34 (e) Not later than January 1, 2009, and annually thereafter, the  
35 Commissioner of Economic and Community Development shall  
36 submit a report to the select committee of the General Assembly  
37 having cognizance of matters relating to housing, and to the joint  
38 standing committee of the General Assembly having cognizance of  
39 matters relating to commerce, on the program established pursuant to  
40 this section. Said report shall review the program and may include  
41 recommendations for legislation.

42 Sec. 2. (NEW) (*Effective July 1, 2007*) There is created a "Connecticut  
43 First-time Homebuyers Fund". Moneys segregated by the  
44 Commissioner of Revenue Services pursuant to section 1 of this act  
45 shall be deposited in the fund. Amounts deposited in the fund shall be  
46 available to the Commissioner of Economic and Community  
47 Development for payments to participants in the first-time home buyer  
48 program established pursuant to section 1 of this act. The State  
49 Treasurer shall invest the proceeds of the fund and investment  
50 earnings shall be credited to and become part of the General Fund.  
51 Annually, on or before September first, the Treasurer shall notify the  
52 Commissioner of Economic and Community Development of the total

53 amount in the fund. Any balance remaining in the fund at the end of  
54 each fiscal year shall be carried forward in the fund for the succeeding  
55 fiscal year. Any funds segregated for a participant in the program that  
56 are not used in the purchase of a home shall be transferred to the  
57 General Fund. Any costs incurred by the State Treasurer in  
58 administering the fund shall be paid from the fund.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2007</i>	New section
Sec. 2	<i>July 1, 2007</i>	New section

**CE**      *Joint Favorable Subst.*